Agenda Item Report

Legislative Board:	Buda Economic Development Corporation
Date:	July 13, 2026
Contact:	Shannon Cameron, Office Manager
Agenda Item ID / Number:	2026-560- / 6.3

ITEM TITLE: Discussion and possible action to approve and authorize the Buda EDC president to execute an amendment to a lease agreement.

1. EXECUTIVE SUMMARY

This item requests Board approval to authorize the Buda EDC President to execute an amendment to an existing lease agreement for a tenant space located at the Buda EDC's future headquarters property. The Board previously provided direction regarding this matter in executive session, and this item presents the formal agreement for consideration and approval.

The proposed amendment allows the Buda EDC to obtain possession of the leased premises prior to the original lease expiration date in order to support the planned renovation and construction timeline for the future use and expansion of EDC programs. The final agreement may require updates to specific dates based on the tenant's relocation timeline, subject to attorney review and approval.

2. BACKGROUND/HISTORY

The Buda EDC acquired the property at 1750 FM 967 for use as its future headquarters and expansion of programming. The property currently includes existing tenant spaces, and staff has been working through lease transition matters to prepare for future renovation and occupancy.

The Board previously discussed this lease matter in executive session and provided direction to proceed with an amendment that would allow for early surrender of the leased premises. The proposed amendment formalizes the general terms of that direction, including an early termination framework, surrender requirements, and provisions intended to protect the Buda EDC's construction schedule and property interests.

Because the tenant has not yet confirmed final relocation dates, the agreement may require limited revisions to specific dates before execution. Any such changes would be subject to review and approval by legal counsel to ensure the final amendment remains consistent with the Board's direction and the Buda EDC's interests.

3. ANALYSIS

4. FINANCIAL IMPACT

The proposed amendment includes an early surrender incentive in exchange for the tenant vacating the premises prior to the original lease expiration date. Under the general terms, the tenant would continue to submit rent payments during the agreed transition period, and the Buda EDC may hold those payments pending the tenantâ€™s timely surrender of the premises. If the tenant satisfies the requirements of the amendment, including timely surrender of the premises, the Buda EDC would return or reimburse the applicable rent payments and waive remaining base rent obligations after the agreed early termination date through the original lease expiration date. If the tenant does not timely surrender the premises, the early surrender incentive would be forfeited, and the tenant would remain responsible for rent and other obligations under the lease, including applicable holdover provisions. The financial impact is limited to the negotiated lease transition terms and is intended to support the Buda EDCâ€™s ability to move forward with renovation planning and future occupancy of the headquarters property.

5. STRATEGIC PLAN/GOALS

6. STRATEGIC PLAN OBJECTIVES

7. PROS AND CONS

8. ALTERNATIVES

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Attachments:

Buda EDC- Lease Amendment-Early Termination- Unit C.docx